

Exhibit “A”

Press Release

Source: Compass Partners

Compass Partners Announces the Closing of USA Capital Mortgage Deal

Friday February 16, 3:48 pm ET

Compass Partners closes deal on significant Las Vegas non-casino real estate property

LAS VEGAS, Feb. 16 /PRNewswire/ -- NYC's private equity based, Compass Partners (<http://www.compass-partners.net>), announced today they have closed the deal on a non-casino real estate investment in Nevada, the bankrupt assets of USA Commercial Mortgage Company's (USACM) First Trust Deed Fund. Co-Founder and Partner David Blatt of Compass Partners LLC, a NY based private equity firm, entered the highest and best bid for the USA Commercial Mortgage Company (USACM) at the December 7th U.S. Nevada Bankruptcy auction. The \$67 million bid set precedent as a largely significant non-casino real estate project in Las Vegas.

Compass Partners researched the assets, and as a result, when bidding came up for USACM, they grabbed the corporation for \$67 million, despite the companies' actual value of more than \$150 million. Other bidders could not match up to the research and planning conducted by Compass Partners.

"The process was exciting, and at times, frustrating," explained Blatt, "Yet, the work is just beginning as we set to deal with the investors, the lenders, the loans and the assets attached to them. Compass Partners' strategy is to maintain its relationship with those who put their faith and money in USA Capital."

"Our approach was to provide the highest quality loan servicing experience, and now we are set to do just that," Blatt continued. "Compass Financial Partners, LLC has officially been launched last month, and we expect great opportunities here."

Boris Piskun, Co-Founder and Partner said, "We intend to stabilize the affairs of USACM and restore the borrower and investor relationships for Compass' future goals."

About Compass Partners

Compass Partners is a private equity firm that acquires and services distressed mortgage loans. The company seeks to deploy over \$100 million annually to acquire companies and assets involving such mortgage loans. Compass Partner's analysis of any investment opportunity is underpinned by rigorous due diligence and a focus on value. The company has a full-time dedicated team responsible for monitoring the strategic, operational, and financial performance of its portfolio investments. It is this disciplined, value-oriented approach that serves investors well, even in a distressed environment over the holding period of an investment.

Press Contact: 5W Public Relations

Alyssa Miller: 212.584.4290 / Alison Crisci: 212.584.4305

amiller@5wpr.com / acrisci@5wpr.com

Source: Compass Partners

EXHIBIT "A"

Exhibit “B”

----- Forwarded message -----

From: **LeAnn Apigian** <larry_leann48@yahoo.com>
Date: Apr 25, 2007 8:08 PM
Subject: Mark Olson - MUST READ!!!
To: Donna Cangelosi <dcangelosi@gmail.com>, rwulm@tds.com

Note: forwarded message attached.

Do You Yahoo!?

Tired of spam? Yahoo! Mail has the best spam protection around
<http://mail.yahoo.com>

----- Forwarded message -----

From: JOE + ELLEN <mersea@sbcglobal.net>
To: LeAnn Apigian <larry_leann48@yahoo.com>
Date: Wed, 25 Apr 2007 15:53:45 -0700 (PDT)
Subject: Re: Fwd: RE: Your letter to direct lenders in Eagle Meadows + Fox Hills 216 loans
LeAnn, Permission Granted. Joe

LeAnn Apigian <larry_leann48@yahoo.com> wrote:

Thank you, Joe for sharing this with me. Do I have
your permission to send it on confidentially to Donna
& Robert?

LeAnn

--- JOE + ELLEN wrote:

> Reply to me from Mr. Olsen
>
> Note: forwarded message attached.> Subject: RE: Your

EXHIBIT "B"

letter to direct lenders in Eagle
> Meadows + Fox Hills 216 loans
> Date: Tue, 24 Apr 2007 11:42:33 -0700
> From: "Mark Olson"
> To: "JOE + ELLEN"
>
> Principal gets repaid last, hence our point about a
> shortfall.
>
> I assumed Direct Lenders were familiar with the
> Reorganization Plan they
> approved that provides for that, but you make a
> point I will be happy to
> consider for future Loan Status Reports.
>
>
>
> Mark Olson
>
>
>
>
> _____
>
> Mark L. Olson
>
> Director of Investor Relations
>
> Compass Financial Partners, LLC
>
> 4730 S. Fort Apache Road, Suite 140
>
> Las Vegas, NV 89147
>
> Main: (702) 734-2400
>
> Fax: (702) 734-0163
>
> Email: olson@compassloans.net
>
>
>
> _____
>
> From: JOE + ELLEN [mailto:mersea@sbcglobal.net]
> Sent: Tuesday, April 24, 2007 11:38 AM
> To: Mark Olson
> Subject: RE: Your letter to direct lenders in Eagle
> Meadows + Fox Hills
> 216 loans
>
>

>
> Mr. Olsen,
>
> Thank you for your reply.
>
> My question was my own. Your letter stated that
> the 63 million
> dollars offered by the Developer did not cover the
> Lender's Principal.
> That was the genesis of my question.
>
> May I suggest if you are including accrued
> interest, default interest
> and fees that you include those calculations in your
> letter to the
> Lender. I believe such transparency would avoid
> confusion and save you
> time in the long run.
>
> Now that I know that accrued interest, default
> interest, and fees
> would be subtracted from any payment that the
> Developer offers, could
> you tell me what takes precedent?
>
> Is the Principal, that was originally loaned,
> paid to the Lenders
> first; then accrued interest paid, then the more
> recently incurred
> default interest and fees paid?
>
> If that is not the order of repayment, then what
> is the order of
> repayment?
>
> Thank you for your time and efforts.
>
> Joe Walls
>
>
>
> Mark Olson wrote:
>
> When you only listen to the LPG you don't get all
> the facts and
> you allow yourself to be confused by their
> inflammatory rhetoric.
>
> Full repayment involves principal, accrued
> interest, default
> interest and fees. Just as it says in the Loan

> Agreement and the Loan
> Servicing Agreement.

>

> We stand by our Report.

>

>

> Mark Olson

>

>

>

>

>

>

> Mark L. Olson

>

> Director of Investor Relations

>

> Compass Financial Partners, LLC

>

> 4730 S. Fort Apache Road, Suite 140

>

> Las Vegas, NV 89147

>

> Main: (702) 734-2400

>

> Fax: (702) 734-0163

>

> Email: olson@compassloans.net

>

>

>

>

>

> From: JOE + ELLEN [mailto: mersea@sbcglobal.net]

> Sent: Monday, April 23, 2007 6:56 PM

> To: Mark Olson

> Subject: Your letter to direct lenders in Eagle

> Meadows + Fox

> Hills 216 loans

>

>

>

> Mr. Olsen, I am a direct lender in each of these
> loans. In

> each letter you state that Mr. Hoggans offer of 63

> million falls "almost

> 9 million short of full repayment, which is less

> than 100% of the Direct

> Lenders principal".

>
> The Principal on Eagle Meadows is \$31,050,000.
> The Principal
> on Fox Hill 216 is \$25,980,000. Both sums come from
> your letters.
>
> Adding them together totals \$57,030,000.
>
> That is LESS than the Direct Lenders principal,
> Not 9 million
> short.
>
> What is the problem?
>
> Joe Walls
>
>
>
>

Do You Yahoo!?

Tired of spam? Yahoo! Mail has the best spam protection around
<http://mail.yahoo.com>

--
Donna Cangelosi

The contents of this electronic mail message and any attachments are confidential, possible privileged and intended for the address(s) only. Only the addressee(s) may read, disseminate, retain or otherwise use this message. If received in error, please immediately inform the sender and then delete this message without disclosing its contents to anyone.

Exhibit “C”

**STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MORTGAGE LENDING**

In Re:)
USA COMMERCIAL MORTGAGE)
COMPANY,)
d/b/a USA CAPITAL,)
Respondent.)
})
FINAL ORDER CONDITIONING)
MORTGAGE BROKER'S LICENSE

9 The STATE OF NEVADA, DEPARTMENT OF BUSINESS AND INDUSTRY, DIVISION
10 OF MORTGAGE LENDING ("Division"), having served USA Commercial Mortgage Company,
11 d/b/a USA Capital ("Respondent"), on May 1, 2006, with an **Order Conditioning Mortgage**
12 **Broker's License**, attached hereto as Exhibit 1, and incorporated herein by this reference,
13 notifying Respondent that a final order would be entered unless, within 20 days after entry
14 and receipt of the order, Respondent requested in writing a hearing to contest the charges,
15 and the Respondent having failed to request a hearing in this matter, and good cause
16 appearing;

17 IT IS HEREBY ORDERED that Respondent's license is conditioned upon the
18 Respondent not making any loans secured by liens on real property funded by private, non-
19 institutional investors; Respondent may only make loans secured by liens on real property
20 funded by institutional investors.

21

22

23

24

25

26

21

28

1 The Division is currently conducting an investigation into USA's past activities and does
2 not represent that the Factual Allegations in the attached Exhibit 1 are complete, or that the
3 entry of the Final Order conditioning of Respondent's license will be the only action that the
4 Division intends to take against Respondent.

6
7 DATED this 9th day of June ~~2006~~²⁰⁰⁶.

8 DIVISION OF MORTGAGE LENDING
9

10 By: 
11 SCOTT BICE, COMMISSIONER
12

AFFIDAVIT OF SERVICE

STATE OF NEVADA)

COUNTY OF CLARK)

I HEREBY CERTIFY that on the 12th day of June 2006, I served the foregoing Final Order Conditioning Mortgage Broker's License upon USA Commercial Mortgage Company dba USA Capital at 4484 S. Pecos Road, Las Vegas, State of Nevada, by:

1. Personally delivering a copy to the following person at: 4484 S. Pecos Road, Las Vegas, State of Nevada

Person Receiving Service

Person Making Service

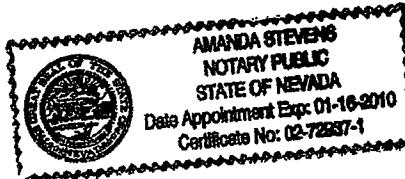
SUBSCRIBED AND SWORN to me

This 12 day of June 2006.

By:

Amanda S. H.

**NOTARY PUBLIC in and for said
County and State**



STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MORTGAGE LENDING

In re:

USA COMMERCIAL MORTGAGE
COMPANY, d/b/a USA CAPITAL,

Respondent.

ORDER CONDITIONING MORTGAGE BROKER'S LICENSE

NOTICE OF RIGHT TO REQUEST HEARING

The licensing and regulation of mortgage brokers in the State of Nevada is governed by chapter 645B of the Nevada Revised Statutes ("NRS") and chapter 645B of the Nevada Administrative Code ("NAC"). The State of Nevada, Department of Business and Industry, Mortgage Lending Division ("Division") has the general duty to exercise supervision and control over mortgage brokers and mortgage brokering activity. NRS 645B.060(1), NRS 645B.690 (1)(a) and NRS 645B.670. Pursuant to that authority, the Division makes the following Findings of Fact, Conclusions of Law, and Order as follows:

FACTUAL ALLEGATIONS

1. USA Commercial Mortgage Company, dba USA Capital ("USA") is a licensed mortgage broker operating within the State of Nevada. USA Capital was issued a mortgage broker's license pursuant to NRS 645B on January 11, 1990.
2. On Thursday, April 13, 2006, USA filed a voluntary petition for reorganization under Chapter 11 in the U.S. Bankruptcy Court of the Southern District of Nevada.
3. On or after April 13, 2006, USA stated to the Division that a significant number of borrowers were currently, and should have previously been considered delinquent on the payment of loans secured by liens on real property. USA also indicated that it continued to pay investors the stated amount of interest on loans which should have been considered delinquent.

4. Thomas Allison retained by USA as Chief Restructuring Officer, stated to the Division that USA had continued to pay investors on loans which had defaulted from other loans which had partial or complete payments of principal.

5. USA controlled and directed the activity of the individual trust accounts to which monies were collected from borrowers for complete or partial repayment of principal and interest payments on loans secured by liens on real property.

6. USA failed to reveal on its required monthly activity reports to the Commissioner that it had borrowers/ debtors with loans secured by liens on real property who had failed to make two or more consecutive payments in accordance with the terms of their loans. USA also failed to notify investors/lenders that borrowers had failed to make two or more consecutive payments in accordance with the terms of their loans secured by liens on real property.

ALLEGED VIOLATIONS OF LAW

The licensing and regulation of mortgage brokers and mortgage agents in the State of Nevada is governed by NRS chapter 645B and NAC chapter 645B. The Division has the duty to exercise supervision and control over mortgage brokers. NRS 645B.060(1). In addition, the Division has the responsibility to take disciplinary action for certain violations of NRS chapter 645B or NAC chapter 645B.

NRS 645B.670 provides in relevant part:

2. For each violation committed by a mortgage broker, the Commissioner may impose upon the mortgage broker an administrative fine of not more than \$10,000, may suspend, revoke or place conditions upon his license, or may do both, if the mortgage broker, whether or not acting as such:

(c) Does not conduct his business in accordance with law or has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner;

1. USA controlled and directed the activity of individual trust accounts where money paid by borrowers for complete or partial repayment of principal and interest on their loans secured by liens on real property was to be kept. NRS 645B.175(4) requirements o

1 mortgage brokers when mortgage brokers maintain/service accounts where money paid by
2 borrowers for complete or partial repayment on loans secured by liens on real property is
3 kept. In relevant part, NRS 645B.175 states:

4 4. Except as otherwise provided in this section, all money paid to
5 a mortgage broker and his mortgage agents by a person in full or
6 in partial payment of a loan secured by a lien on real property,
7 must:

8 (a) Be deposited in:

9 (1) An insured depository financial institution; or

10 (2) An escrow account which is controlled by a person who is
11 subject to instructions regarding the account which are approved
12 by the parties.

13 (b) Be kept separate from money:

14 (1) Belonging to the mortgage broker in an account appropriately
15 named to indicate that it does not belong to the mortgage broker.

16 (2) Received pursuant to subsection 1.

17 5. Except as otherwise provided in this section, the amount held
18 in trust pursuant to subsection 4:

19 (a) Must be released, upon the deduction and payment of any fee
20 or service charge due the mortgage broker, to each investor who
21 owns a beneficial interest in the loan in exact proportion to the
22 beneficial interest that he owns in the loan; and

23 (b) Must not be released, in any proportion, to an investor who
24 owns a beneficial interest in the loan, unless the amount described
25 in paragraph (a) is also released to every other investor who owns
26 a beneficial interest in the loan.

27 6. An investor may waive, in writing, the right to receive one or
28 more payments, or portions thereof, that are released to other
investors in the manner set forth in subsection 5. A mortgage
broker or mortgage agent shall not act as the attorney-in-fact or
the agent of an investor with respect to the giving of a written
waiver pursuant to this subsection. Any such written waiver applies
only to the payment or payments, or portions thereof, that are
included in the written waiver and does not affect the right of the
investor to:

29 (a) Receive the waived payment or payments, or portions thereof,
30 at a later date; or

31 (b) Receive all other payments in full and in accordance with the
32 provisions of subsection 5.

33 9. If a mortgage broker or a mortgage agent receives any money
34 pursuant to this section, the mortgage broker or mortgage agent,
35 after the deduction and payment of any fee or service charge due
36 the mortgage broker, shall not release the money to:

37 (a) Any person who does not have a contractual or legal right to

(b) Any person who has a contractual right to receive the money if the mortgage broker or mortgage agent knows or, in light of all the surrounding facts and circumstances, reasonably should know that the person's contractual right to receive the money violates any provision of this chapter or a regulation adopted pursuant to this chapter.

5 (a) USA violated NRS 645B.175 (4)(a) because it did not deposit money received
6 from borrowers for complete or partial repayment of principal and interest payments on loans
7 secured by liens on real property in an insured depository financial institution or in an escrow
8 account controlled by a person subject to instructions regarding the account that were
9 approved by the parties. Rather, USA took borrower money it received in full or partial
10 repayment of borrower loans secured by liens on real property and used this money to pay
11 investors of loans that were in default.

12 (b) USA violated NRS 645B.175(5)(a) because it did not release, after payment of
13 any fee or service charge due to the mortgage broker, money received for complete or partial
14 repayment of principal and interest on loans secured by liens on real property to each investor
15 who owned a beneficial interest in the exact proportion to the interest that the investor owned
16 in the loan; rather, USA took the money it received in complete or partial repayment of
17 principal and interest on loans secured by liens on real property and used this money to pay
18 investors of loans that were in default.

19 (c) USA violated NRS 645B.175(9)(a) because it released money to investors of
20 loans secured by liens on real property that were in default who did not have a contractual or
21 legal right to receive the money. Rather USA took the money it received in full or partial
22 repayment of principal and interest on loans secured by liens on real property and used this
23 money to pay the investors of loans that had defaulted.

2. USA violated NRS 645B.250, which states:

25 Except pursuant to a contract for the collection or servicing of a
26 loan which is governed by the requirements established by the
27 Government National Mortgage Association, Federal Home Loan
28 Mortgage Corporation or Federal National Mortgage Association, a
mortgage broker or mortgage agent shall not advance payments to

1 an investor on behalf of a person who has obtained a loan secured
2 by a lien on real property and who has defaulted in his payments.

3 (a) Mr. Allison admitted to the Division that USA was advancing payments to
investors on behalf of borrowers who had defaulted on loan secured by liens on real property.

4 3. USA violated NRS 645B.260, which states:

5 1. If a mortgage broker maintains any accounts described in
6 subsection 4 of NRS 645B.175 in which the mortgage broker
7 deposits payments from a debtor on a loan secured by a lien on
real property and, on the last day of any month, the debtor has
failed to make two or more consecutive payments in accordance
with the terms of the loan, the mortgage broker shall:

8 (a) Include in the report that the mortgage broker submits to
9 the Commissioner pursuant to subsection 2 of NRS 645B.080 the
information relating to delinquencies in payments and defaults that
is required by the regulations adopted pursuant to subsection 2;

10 (b) Not later than 15 days after the last day of each such
month, mail to the last known address of each investor who owns
a beneficial interest in the loan a notice containing the information
relating to delinquencies in payments and defaults that is required
by the regulations adopted pursuant to subsection 2; and

11 (c) Comply with the provisions of this section each month on a
continuing basis until:

12 (1) The debtor or his designee remedies the delinquency
in payments and any default; or

13 (2) The lien securing the loan is extinguished.

14 2. The Commissioner:

15 (a) Shall adopt regulations prescribing the information relating
16 to delinquencies in payments and defaults that a mortgage broker
17 must include in his report to the commissioner and in the notice
18 mailed to investors pursuant to subsection 1. Such regulations
19 may provide for variations between the information that a
mortgage broker must include in his report to the Commissioner
20 and the information that a mortgage broker must include in the
notice mailed to investors.

21 (b) May adopt any other regulations that are necessary to carry
22 out the provisions of this section.

23 With regard to notice obligations owed to investors, NAC 645B.070
24 further defines the obligations of a mortgage broker. NAC 645B.070 states in
25 relevant part, that:

26 2. If, on the last day of any month, a debtor has failed to
27 make two or more consecutive payments in accordance with the
terms of the loan, a mortgage broker who is performing loan

1 servicing and maintains any accounts described in subsection 4 of
2 NRS 645B.175 shall:

3 (a) Include in his report to the Commissioner:

4 (1) The name, address and telephone number of the debtor;

5 (2) The total number and amount of any payments made on
the current delinquency;

6 (3) The outstanding balance of the loan and any accrued
interest on the last day of the month for which the report is
submitted;

7 (4) A statement of whether the loan has been declared to be
in default and, if so, the nature of any actions that have been taken
because of the default; and

8 (5) The date on which the mortgage broker sent the notice
to investors required pursuant to paragraph (b) of this subsection
and paragraph (b) of subsection 1 of NRS 645B.260.

9 (b) Mail a notice containing the following information to the last
10 known address of each investor who owns a beneficial interest in
the loan not later than 15 days after the last day of each such
month:

11 (1) The name, address and telephone number of the debtor;
12 (2) The total number of months and days that the debtor has
failed to make a payment;

13 (3) The outstanding balance of the loan and any accrued
interest on the last day of the month for which the notice is
submitted; and

14 (4) A statement of whether the loan has been declared to be
in default and, if so, the nature of any actions that have been taken
because of the default.

15 3. If the mortgage broker is not servicing any loans in which a
16 debtor has failed to make two or more consecutive payments in
17 accordance with the terms of the loan, the monthly report required
18 pursuant to subsection 1 must state that fact.

19 4. The mortgage broker must comply with the provisions of
subsection 2 each month until:

20 (a) The debtor or his designee remedies the delinquency in
payments and any default; or

21 (b) The lien securing the loan is extinguished.

22 5. The Commissioner may refuse to renew the license of a
mortgage broker who has not submitted a monthly report required
by subsection 1 for 1 or more of the preceding 12 months.

23
24
25 (a) USA violated NRS645B.280(1)(a) because it failed to report the Division on its
26 monthly activity reports that it had any delinquent loans secured by liens on real property, yet
27 after USA filed bankruptcy Allison informed the Division that USA had delinquent loans.

1 (b) USA violated NRS645B.280(1)(b) because it did not, no later than 15 days after
2 the last day of the month, when it was aware that debtors had failed to make two or more
3 consecutive payments in accordance with the terms of the loan, mail to investors who owned
4 beneficial interests in the defaulting loans, the debtors name, address and telephone number,
5 nor did USA ever mail to investors and of the information required in NRS 645B.070(5), nor
6 did it indicate in any way to investors that their loans were in default when, in some cases,
7 borrowers had not paid on their loans secured by liens on real property.

5 USA violated NRS 645B.670. NRS 645B.670 states:

Except as otherwise provided in NRS 645B.690:

1. For each violation committed by an applicant for a license issued pursuant to this chapter, whether or not he is issued a license, the Commissioner may impose upon the applicant an administrative fine of not more than \$10,000, if the applicant:

(a) Has knowingly made or caused to be made to the Commissioner any false representation of material fact;

(b) Has suppressed or withheld from the Commissioner any information which the applicant possesses and which, if submitted by him, would have rendered the applicant ineligible to be licensed pursuant to the provisions of this chapter; or

(c) Has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner in completing and filing his application for a license or during the course of the investigation of his application for a license.

2. For each violation committed by a mortgage broker, the Commissioner may impose upon the mortgage broker an administrative fine of not more than \$10,000, may suspend, revoke or place conditions upon his license, or may do both, if the mortgage broker, whether or not acting as such:

(a) Is insolvent:

(a) Is insolvent;
(b) Is grossly negligent or incompetent in performing any act for which he is required to be licensed pursuant to the provisions of this chapter;

(c) Does not conduct his business in accordance with law or has violated any provision of this chapter, a regulation adopted pursuant to this chapter or an order of the Commissioner;

(d) Is in such financial condition that he cannot continue in business with safety to his customers;

(e) Has made a material misrepresentation in connection with any transaction governed by this chapter;

(f) Has suppressed or withheld from a client any material facts, data or other information relating to any transaction governed by the provisions of this chapter which the mortgage broker knew or, by the exercise of reasonable diligence, should have known;

(g) Has knowingly made or caused to be made to the Commissioner any false representation of material fact or has suppressed or withheld from the Commissioner any information which the mortgage broker possesses and which, if submitted by him, would have rendered the mortgage broker ineligible to be licensed pursuant to the provisions of this chapter;

(h) Has failed to account to persons interested for all money received for a trust account;

(i) Has refused to permit an examination by the Commissioner of his books and affairs or has refused or failed, within a reasonable time, to furnish any information or make any report that may be required by the Commissioner pursuant to the provisions of this chapter or a regulation adopted pursuant to this chapter;

(j) Has been convicted of, or entered a plea of nolo contendere to, a felony relating to the practice of mortgage brokers or any crime involving fraud, misrepresentation or moral turpitude;

(k) Has refused or failed to pay, within a reasonable time, any fees, assessments, costs or expenses that the mortgage broker is required to pay pursuant to this chapter or a regulation adopted pursuant to this chapter;

(l) Has failed to satisfy a claim made by a client which has been reduced to judgment;

(m) Has failed to account for or to remit any money of a client within a reasonable time after a request for an accounting or remittal;

(n) Has commingled the money or other property of a client with his own or has converted the money or property of others to his own use;

(o) Has engaged in any other conduct constituting a deceitful, fraudulent or dishonest business practice;

(p) Has repeatedly violated the policies and procedures of the mortgage broker;

(q) Has failed to exercise reasonable supervision over the activities of a mortgage agent as required by NRS 645B.460;

(r) Has instructed a mortgage agent to commit an act that would be cause for the revocation of the license of the mortgage broker, whether or not the mortgage agent commits the act;

(s) Has employed a person as a mortgage agent or authorized a person to be associated with the mortgage broker as a mortgage agent at a time when the mortgage broker knew or, in light of all the surrounding facts and circumstances, reasonably should have known that the person:

(1) Had been convicted of, or entered a plea of nolo contendere to, a felony relating to the practice of mortgage agents or any crime involving fraud, misrepresentation or moral turpitude;

(2) Had a financial services license or registration suspended or revoked within the immediately preceding 10 years;

(t) Has failed to pay a tax as required pursuant to the provisions of chapter 363A of NRS; or

(u) Has not conducted verifiable business as a mortgage broker for 12 consecutive months, except in the case of a new applicant. The Commissioner shall determine whether a mortgage broker is conducting business by examining the monthly reports of activity submitted by the mortgage broker or by conducting an examination of the mortgage broker.

(a) USA violated NRS 645B.670(1)(a) because it knowingly made to the Division a false representation of material fact, To Wit: USA did not indicate on its monthly activity reports to the Division that it had any loans in default, and therefore represented that all of its loans were being paid by borrowers in accordance with terms of the loan.

(b) USA violated NRS 645B.670(c) because it has violated NRS 645B.175, NRS 645B.280, ad NAC 645B.070, as referenced above.

(c) USA violated NRS 645B.670(f) because it suppressed or withheld from investors the fact that many of the investors' loans secured by liens on real property were not being paid in accordance with the terms of the loan agreements, but were in fact in default.

(d) USA violated NRS 645B.670(o) because it engaged in a deceitful, fraudulent or dishonest business practice. To Wit: USA took money from accounts containing money from borrowers who had paid off their loans and used that money to pay investors whose loans were in default.

6. The Division is still conducting an investigation into USA's past activities and does not represent that the findings listed in this Order Conditioning Mortgage Broker's License are complete, or that the action it seeks to take against USA in this Order will be the only action that the Division intends to take against USA.

7. NRS 645B.670(2) allows the Commissioner to suspend, revoke or place conditions upon a mortgage broker's license if the broker violates NRS 645B.670. The Division alleges that USA has violated provisions of NRS 645B.670. Therefore, the Commissioner may suspend, revoke or condition USA's mortgage broker license. The Commissioner therefore imposes certain conditions USA's mortgage broker's license. These

1 conditions are: USA will not make any loans secured by liens on real property funded by
2 private, non-institutional investors; USA may only make loans secured by liens on rea
3 property funded by institutional investors.

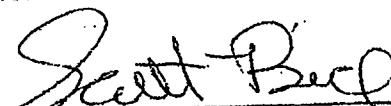
4 **ORDER**

5 **NOW, THEREFORE, IT IS HEREBY ORDERED** that USA mortgage broker's license is
6 conditioned upon USA not making any loans secured by liens on real property funded by
7 private, non-institutional investors; USA may only make loans secured by liens on rea
8 property funded by institutional investors.

9 **IT IS FURTHER ORDERED** that, pursuant to NRS 645B.750, upon written application
10 to the Division, that USA entitled to a hearing with regard to this Order. Should USA no
11 request a hearing within twenty (20) days of the receipt of this Order, the Division will enter a
12 Final Order in this matter as required by NRS 645B.750(2).

13 DATED this 1st day of May 2006.

14 STATE OF NEVADA
15 DEPARTMENT OF BUSINESS AND INDUSTRY
16 DIVISION of MORTGAGE LENDING

17 By: 

18 Scott Bice, Commissioner

19
20
21
22
23
24
25
26
27
28

Exhibit “D”

Loan Name	Borrower	Orig. Date	Loan Balance @ 3/31/07	% EE's rec'd (\$\$)	Rights Forms, Represented	# Lenders	# EE's rec'd
3685 San Fernando Road Partners	3685 San Fernando Road Partners LLC	8/2/2005	\$7,350,000	52%	\$3,822,000	83	47
5055 Collwood LLC	Maesel Presley Inc.	2/24/2006	\$964,895	58%	\$559,639	33	20
60th Street Venture LLC	Maesel Presley Inc.	12/22/2005	\$3,700,000	83%	\$3,071,000	49	44
6425 Gees, Ltd.	6425 Gees, Ltd.	4/14/2005	\$26,500,000	62%	\$16,430,000	296	182
Amesburyport Corp.	Amesburyport Corp.	12/16/2002	\$19,242,193	54%	\$10,390,784	339	197
Anchor B, LP	Anchor B, LP	5/31/2005	\$5,835,422	54%	\$3,151,128	50	38
BarUSA	BarUSA, LLC	11/24/2003	\$15,300,000	56%	\$8,568,000	221	118
Bay Pompano Beach	Bay Pompano Beach LLC	6/20/2005	\$14,682,912	62%	\$9,103,405	407	254
Binford Medical Developers LLC	Binford Medical Developers, LLC	8/31/2005	\$7,450,000	53%	\$3,948,500	92	58
Brookmere/ Matteson	Brookmere, LLC & Lord & Essex Matteson, LLC	10/29/2003	\$5,964,848	33%	\$1,968,400	214	86
Bundy Canyon \$2,500,000	Bundy Canyon Land Development LLC	5/2/2005	\$2,300,000	96%	\$2,208,000	34	32
Bundy Canyon \$5,000,000	Bundy Canyon Land Development LLC	9/28/2005	\$4,250,000	70%	\$2,975,000	43	28
Bundy Canyon \$5,725,000	Bundy Canyon Land Development LLC	1/14/2006	\$5,725,000	75%	\$4,293,750	88	53
Bundy Canyon \$7,500,000	Bundy Canyon Land Development LLC	8/17/2005	\$6,450,000	62%	\$3,999,000	81	53
Cabernet Highlands	Cabernet Highlands LLC	2/17/2005	\$2,980,000	50%	\$1,490,000	65	42
Castaic Partners II, LLC	Castaic Partners II, LLC	7/11/2005	\$5,600,000	7%	\$3,976,000	58	40
Castaic Partners III, LLC	Castaic Partners III, LLC	9/22/2005	\$4,675,000	66%	\$3,085,500	65	42
Charlevoix Homes LLC	Lindsay & Chandler Heights LLC	4/3/2006	\$3,400,000	62%	\$2,108,000	40	27
Clear Creek Plantation	Arapaho Land Investments, LP	3/15/2005	\$2,900,000	68%	\$1,972,000	36	25
ComVest Capital	Comvest Capital Satellite Arms LLC	1/11/2006	\$4,125,000	55%	\$2,268,750	56	36
Copper Sage Commerce Cntr, LLC	Copper Sage Commerce Cntr, LLC	3/1/2006	\$3,550,000	71%	\$2,520,500	51	33
Corman Toltec 160 LLC	Corman Toltec 160 LLC	6/24/2005	\$6,375,000	63%	\$4,016,250	96	58
Del Valle Capital Corporation, Inc.	Del Valle Capital Corporation, Inc.	8/25/2005	\$19,250,000	62%	\$11,935,000	239	147
Fox Hills 185 LLC	Fox Hills 185 LLC	10/19/2005	\$31,050,000	60%	\$18,630,000	295	195
Fiesta Development, Inc.	Fiesta Development, Inc.	4/14/2005	\$6,500,000	54%	\$3,510,000	69	34
Foxhills 216 LLC	Foxhills 216 LLC	2/23/2006	\$25,980,000	62%	\$16,107,600	299	177

Loan Name	Borrower	Orig. Date	Balance @ 3/31/07	% EE's rec'd (\$\$)	Rights Forms, \$\$_ Represented	# Lenders rec'd	# EE's rec'd
Grammery Ct. Condos	Grammery Court, Ltd.	6/25/2004	\$34,884,500	57%	\$19,884,165	332	208
Harbor Georgetown	Harbor Georgetown, LLC	8/16/2004	\$8,800,000	55%	\$4,840,000	103	63
Hesperia II	Southern California Land Development LLC	4/1/2005	\$4,250,000	61%	\$2,592,500	65	38
HFAH Clear Lake 1st	HFAH Clear Lake, LLC	1/6/2005	\$16,050,000	57%	\$9,148,500	207	118
HFAH Clear Lake 2nd	HFAH Clear Lake, LLC	6/24/2005	\$2,750,000	71%	\$1,952,500	36	23
Huntsville	West Hill Park Joint Venture	3/31/2004	\$10,475,000	60%	\$6,285,000	116	71
La Hacienda Estates	La Hacienda Estates, LLC	11/11/2004	\$6,255,000	77%	\$4,816,350	83	61
Lake Helen Partners	Old City LLC and Lake Helen Partners LLC	12/7/2004	\$3,159,704	53%	\$1,674,643	35	26
Lerin Hills	Lerin Hills, LTD	12/7/2005	\$10,350,000	73%	\$7,555,500	132	93
Margarita Annex	John E. & Carole D. King	7/25/2004	\$12,000,000	53%	\$6,360,000	103	69
Marlton Square 1st	MS Acquisition Company	8/11/2005	\$30,000,000	55%	\$16,500,000	272	183
Marlton Square 2nd	MS Acquisition Company	8/11/2005	\$6,000,000	69%	\$4,140,000	108	76
Mountain House Business Park	Pegasus MH Ventures I LLC	6/10/2004	\$16,800,000	63%	\$10,584,000	202	143
Oak Shores II	John E. & Carole D. King	6/6/2005	\$12,150,000	86%	\$10,449,000	176	106
Ocean Atlantic \$9.425m	Ocean Atlantic Chicago LLC	1/23/2006	\$8,925,000	55%	\$4,908,750	105	68
Ocean Atlantic \$2.725M	Ocean Atlantic PFG Westbury LLC	11/1/2005	\$2,700,000	64%	\$1,728,000	32	22
Palm Harbor One	Palm Harbor One LLC	12/14/2005	\$24,227,718	58%	\$14,052,077	309	176
Shamrock Towers	619 Main, LP	8/5/2004	\$10,500,000	47%	\$4,935,000	87	57
Southern California Land 2nd	Southern California Land Development LLC	8/3/2005	\$2,800,000	51%	\$1,428,000	33	17
SVRB \$4,500,000	SVRB Investments LLC	4/27/2005	\$1,424,082	51%	\$726,282	67	45
SVRB 2nd \$2,325,000	SVRB Investments LLC	4/27/2005	\$2,325,000	66%	\$1,534,500	25	12
Tapia Ranch	Castaic Partners, LLC Tapia Ranch	9/28/2004	\$22,000,000	54%	\$11,880,000	179	116
Ten-Ninety Ltd. \$4.150m	Ten-Ninety, Ltd.						
The Gardens LLC \$2.425m	The Gardens LLC, Parliament Partners	12/30/2002	\$4,150,000	62%	\$2,573,000	26	10
The Gardens LLC Timeshare	The Gardens LLC, Parliament Partners	8/15/2005	\$1,925,000	61%	\$1,174,250	34	21
Wasco	Wasco Investments, LLC	3/24/2004	\$3,606,510	54%	\$1,947,515	51	42
		11/23/2004	\$6,450,000	60%	\$3,870,000	86	55
TOTAL			\$507,057,784		\$303,647,739	6403	3985
Overall Percentages, Lenders Electing to Exercise Rights:					60%	62%	